

The logo for Carnegie Mellon University, featuring the text "Carnegie Mellon University" in a white, serif font. The text is positioned on the left side of the slide, set against a dark blue background with a pattern of intersecting red, green, and yellow lines forming a grid.

**Carnegie
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Health Savings Account (HSA) Overview

Agenda

1. Review of Medical Plans
2. Advantages of an HSA
3. Using Your HSA
4. Considerations



Review of Medical Plans



Key Terms — Medical Plans

Health Maintenance Organization (HMO) / Exclusive Provider Organization (EPO)

Lower out-of-pocket costs at the point of care but do not provide benefits for out-of-network providers, except in the case of an emergency.

Preferred Provider Organization (PPO)

Allows you to use in- or out-of-network providers, although you receive a higher level of benefits when you stay in network for services.

High-Deductible Health Plan (HDHP)

Lower monthly payroll contributions and a higher annual deductible than a traditional health plan. You pay all costs out of pocket or with a Health Savings Account (HSA) until the annual deductible is met.



Key Terms — Health Accounts

Health Care Flexible Spending Account (HCFSA)

Accompanies non-HSA PPO or HMO/EPO health plans and allow you to use pretax dollars for qualifying medical, dental and/or vision expenses incurred within the plan year for you and your federal tax dependents. If you or your spouse are enrolled in an HCFSA, you can't enroll in an HSA.

Health Savings Account (HSA)

Accompanies High Deductible Health Plans and is used to pay for qualified medical, prescription, dental and vision expenses. You own this account and can take the account dollars with you if you leave the university. In addition, you can contribute to an HSA with tax-free dollars.

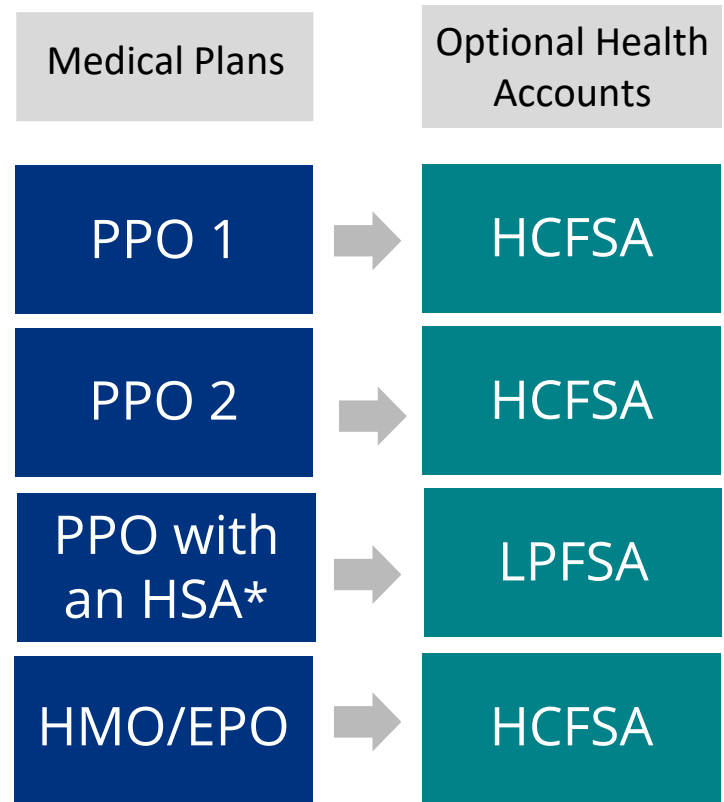
Limited Purpose Flexible Spending Accounts (LPFSA)

A special type of FSA that can be used with an HSA and lets you use pretax dollars to pay for qualified dental and vision expenses. Using funds from your LPFSA instead of your HSA to pay for eligible expenses allows your HSA to continue to grow tax-free into retirement.

Options Designed for You

Our comprehensive array of medical plans is designed to meet the needs of you and your family throughout all stages of life, no matter the circumstance.

We want you to feel empowered to choose the plan that works best for you depending on your needs.



*Set up automatically



Advantages of an HSA

What is an HSA?

You can invest money in an HSA account to pay for the following types of eligible expenses:

- Medical
- Prescription
- Dental
- Vision

Which includes:

- Deductibles
- Copays
- Coinsurance

You can use your HSA regardless of how you seek care (e.g., in-person, telemedicine, urgent care, PCP video visit).

*For 2023, CMU will contribute to your HSA



Understanding the difference: HSA vs LPFSA vs HCFSA

When you enroll in the HD PPO with HSA, you will have the option to contribute to a Limited Purpose FSA in addition to the HSA. However, if you enroll in an HSA, you cannot use a Health Care FSA.

	HSA	LPFSA	HCFSA
Set Up	Automatic	Election	Election
Eligible Expenses	Medical, dental, vision	Dental, vision	Medical, dental, vision
Tax Implications	Federal tax-free	Federal tax-free	Federal tax-free
Deadline to Use Funds	None	March 15; Grace Period	March 15; Grace Period
Receipts	May be required	May be required	May be required
Payment Card	Debit card	Debit card	Debit card
Unique Advantages	Accompanies an HD PPO plan and bridges the cost of care. Funds grow tax-free and are yours even if you leave CMU or retire.	Pairs with an HSA and can be used to pay for qualified dental and vision expenses. You can use rather than dipping into your HSA.	Can be used to pay for qualified medical, dental, and vision expenses. However, if you enroll in an HSA, you cannot use a HCFSA.

Features of an HSA:

Triple tax savings and growth opportunity



You pay no taxes on the:

1. Money that is put into your account (regardless of who contributes);
2. Money that you take out to pay for eligible expenses;
3. Interest your account earns —once your HSA balance reaches a designated threshold, you can invest your balance to earn even more.

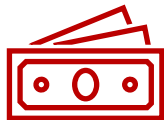
* HSA contributions and earnings are not subject to federal taxes or most state taxes. (Note: California and New Jersey tax HSA contributions, and New Hampshire and Tennessee tax any earnings on your HSA.)

Features of an HSA: Increased Flexibility



Portability

The account and its funds belong to you, and you retain ownership even if you change health insurance plans, change jobs, leave CMU, or retire.



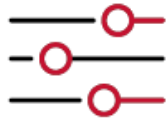
Contributions

You decide how much to put in your account (based on IRS limits set each year) and you can change that amount at any time, based on your financial situation. Additionally:

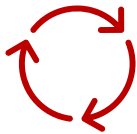
- Both you and CMU can contribute to your HSA, as long the contributions do not exceed the IRS limits* (\$3,850 for individuals; \$7,750 for families).
- If you are age 55 years or older, you can make “catchup” contributions above the IRS limits* (up to \$1,000).

*For 2023; IRS limits typically change each year.

Features of an HSA: More Control



- You decide **when to spend** your money: You can spend it as you incur expenses and/or save it while it earns interest for future health expenses, including those you incur in retirement.

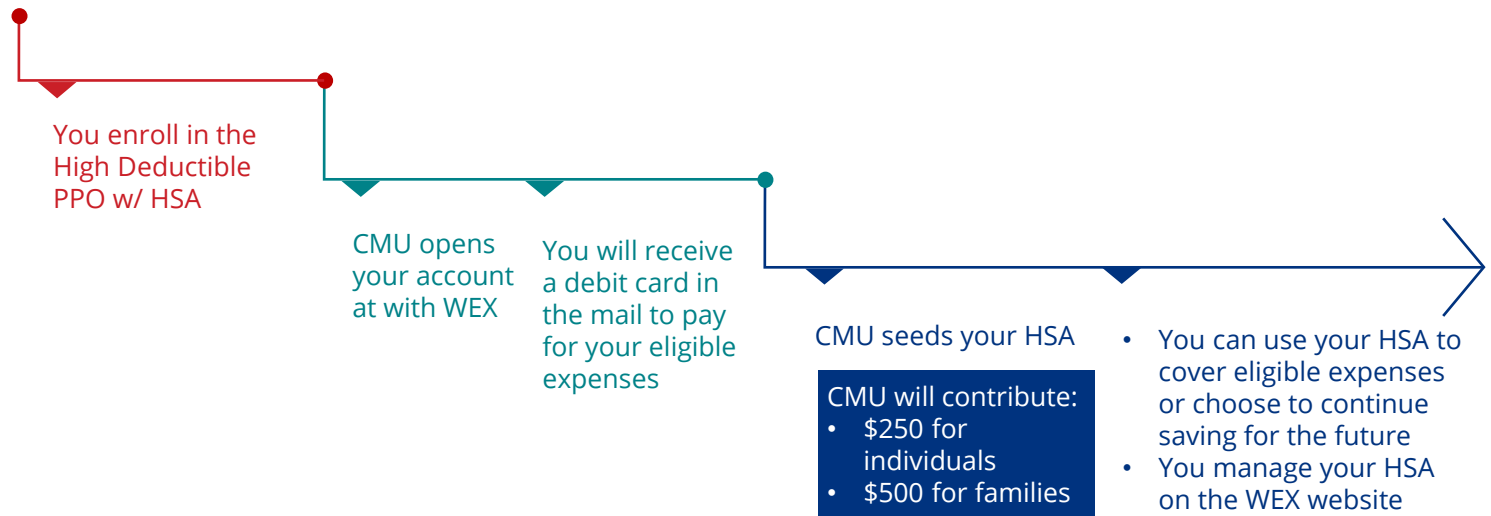


- Your balance **rolls over** each year and remains in your account, meaning there is no “use it or lose it” rule.



Using Your HSA

Setting Up Your HSA



Managing Your HSA



On the WEX website, you can...

- View your HSA balance
- Manage your spending accounts
- Invest your HSA dollars
- View your claims
- See card transactions
- Pay a provider



Paying for Care with Your HSA

When it is time to pay a medical, prescription, dental or vision expense, it is your decision if you want to pay:

Option 1

From your HSA by using your debit card

Option 2

Out of pocket and save your HSA funds for future use

Option 3

Out of pocket and then reimburse yourself from your HSA

Remember:

- Use WEX's website to check your HSA balance, file claims and/or reimbursements, and invest your HSA dollars.
- Save your itemized receipts and any paperwork to verify that you spent HSA funds on eligible expenses.



Considerations



Is the HD PPO with an HSA right for you?

Pros

- Lower monthly payroll contributions
- Benefits of an HSA
- For 2023, CMU is seeding your HSA

Cons

- For all medical and prescription expenses except preventive care, you have to meet the higher deductible before the plan starts to pay.
- The IRS prohibits Medicare enrollees (Part A, Part B, or Part D) to contribute to or receive funds in an HSA.



Is the HD PPO with an HSA right for you?

Food for thought:

- Would you prefer to pay more in monthly contributions or at the time of care?
- How often do you anticipate seeking medical care or taking prescription medications? Do you have a chronic condition that would require regular doctor visits?
- Are you expecting a major life event in the next 12 months, such as welcoming a child or having surgery?
- If disaster strikes, would you be able to pay your deductible (with or without the help of your HSA)?



Reach Out for Support

If you need help with:

- Understanding your medical plan options
- Navigating CMU's benefit-related resources

Contact the HR Services:

Monday – Friday

8:30 am – 5:00 pm ET

412.268.4600 or 844.625.4600

cmu.edu/hr/service-center/help